

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
04-04

2. STATE
Minnesota

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☒ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR §§447.201(b)

7. FEDERAL BUDGET IMPACT:

a. FFY '04 \$1,301

b. FFY '05 \$3,494

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

~~Att. 3.1-A, pp. 54f, 54j~~

~~Att. 3.1-B, pp. 53f, 53j~~

Att. 4.19-B, 8-8c, 45-45d

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

same

10. SUBJECT OF AMENDMENT:

Methods and Standards for Establishing Payment Rates, EPSDT (Mental Health Rehabilitative Services) Rates, Rehabilitative Services Rates

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

16. RETURN TO:

Stephanie Schwartz
Minnesota Department of Human Services
Federal Relations Unit
444 Lafayette Road No.
St. Paul, MN 55155-3852

13. TYPED NAME:

// Mary B. Kennedy - signature //

14. TITLE:

Medicaid Director

15. DATE SUBMITTED:

March 26, 2004

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 3/26/04

18. DATE APPROVED:

5/27/04

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Ala. Furd, ARA

21. TYPED NAME: Cheryl A. Harris

22. TITLE: Associate Regional Administrator

Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED

MAR 26 2004

DMCH - ARA

4.b. Early and periodic screening, diagnosis, and treatment services:

EPSDT (in Minnesota, Child & Teen Checkup) services are paid the lower of the submitted charge or the 75th percentile of all screening charges submitted by providers of the service during the previous 12-month period of July 1 to June 30. The adjustment necessary to reflect the 75th percentile is effective annually on October 1.

Effective for mental health rehabilitative services provided on or after July 1, 2001, payment is the lower of the submitted charge or 75.6% of the 50th percentile of 1999 charges.

- . Effective for individual skills training services provided on or after February 18, 2004, payment is the lower of the submitted charge or \$12.03 per 15 minute unit.
- . Effective for crisis assistance services provided on or after February 18, 2004, payment is the lower of the submitted charge or \$13.13 per 15 minute unit.
- . Effective January 1, 2002, provider travel time is covered if a recipient's individual treatment plan requires the provision of psychotherapy services outside of the provider's normal place of business.
- . **Crisis intervention and crisis stabilization services** provided as part of family community support services are paid:
 - . for doctoral prepared mental health professionals, the lower of the submitted charge or ~~\$43.50~~ \$87.00 per ~~30~~ 60 minute unit;
 - . for master's prepared mental health professionals, the lower of the submitted charge or ~~\$34.80~~ \$69.60 per ~~30~~ 60 minute unit; or
 - . for mental health practitioners supervised by ~~doctoral prepared~~ mental health professionals, the lower of the submitted charge or ~~\$21.75~~ \$60.46 (effective February 18, 2004) per ~~30~~ 60 minute unit (effective January 1, 2004) ~~+or~~

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ATTACHMENT 4.19-B

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TN: 04-04 MAY 28 2004

Approved:

Supersedes: 01-22

4.b. Early and periodic screening, diagnosis, and treatment services:
(continued)

- ~~• for mental health practitioners supervised by master's prepared mental health professionals, the lower of the submitted charge of \$17.40 per 30 minute unit.~~
- **Mental health behavioral aide services** provided as part of family community support services are paid:
 - for Level I MHBAs, the lower of the submitted charge or ~~\$9.40~~ \$4.70 per ~~30~~ 15 minute unit;
 - for Level II MHBAs, the lower of the submitted charge of ~~\$12.28~~ \$6.14 per ~~30~~ 15 minute unit; or
 - for mental health professional or mental health practitioner direction of MHBAs, the lower of the submitted charge or ~~\$13.70~~ \$6.85 per ~~30~~ 15 minute unit.
- **Therapeutic components of preschool programs** provided as family community support services are paid the lower of the submitted charge or \$27.50 per one hour unit.
- **Therapeutic components of therapeutic camp programs** provided as family community support services are paid the lower of the submitted charge or ~~\$19.32~~ \$4.83 per ~~one hour~~ 15 minute unit.
- **Services provided to recipients with severe emotional disturbance residing in a children's residential treatment facility** is based on the daily rate negotiated by the county. The county will pay the residential facility the full negotiated rate and certify to the Department that the rate paid represents expenditures eligible for the matching Federal medical assistance percentage. The county is responsible for the nonfederal share.

The Department, using the rate methodology below, determines the medical assistance percentage of the per day negotiated rate and submits a claim to HCFA. The Department returns to the county the Federal medical assistance percentage.

4.b. Early and periodic screening, diagnosis, and treatment services:
(continued)

Rate Methodology

The negotiated daily rate paid to a children's residential treatment facility is the same for medical assistance-eligible and non medical assistance-eligible individuals.

Beginning July 1, 2000, the allowable medical assistance daily rate is determined using a statistically valid random day log time study containing various activity categories and an annual facility cost report.

The time study of facility staff determines the percent of time spent by direct service staff on various specific activity categories constituting allowable and unallowable rehabilitative activities.

The annual cost report from each facility provides a breakdown of facility costs into the same activity categories utilized in the time study and a breakdown of allowable and unallowable medical assistance costs. The results of the time study determine the amount of salary and fringe benefit costs for direct service staff that are charged to each activity category. Direct costs are those costs attributable to a specific activity and, therefore, are charged directly to that time study activity category. Salary, fringe and direct costs are totaled for each category and then indirect costs are allocated to each category based on the proportion of each category to the total of all facility costs. The proportion of allowable medical assistance costs to total facility costs establishes the percentage of the daily rate eligible for medical assistance payment.

Rate Formula:

The medical assistance payment is the computed medical assistance percentage of the daily rate multiplied by the total facility daily rate.

All of the following conditions must be met in order for a claim to be made:

- (1) residents must be eligible for medical assistance
- (2) residents received rehabilitative services that day
- (3) all documentation requirements are met

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4.b. Early and periodic screening, diagnosis, and treatment services:
(continued)

A residential facility's daily medical assistance rate will be reviewed and updated quarterly for changes in the negotiated rate and annually for changes in time study or cost data.

- **Personal care IFSP/IEP services** under the Individuals with Disabilities Education Act (IDEA) and provided by school districts during the school day to children with IFSPs/IEPs are paid pursuant to the methodology in item 13.d., Rehabilitative services.

Other EPSDT providers are paid in accordance with the methodology set forth elsewhere in this Attachment for the provider type enrolled to provide the service.

13.d. Rehabilitative services.

Rehabilitative services are paid using the same methodology in item 5.a., Physicians' services, except as listed below.

- **Physical therapy assistants** are paid using the same methodology as item 11.a., Physical therapy.
- **Occupational therapy assistants** are paid using the same methodology as item 11.b., Occupational therapy.
- Effective for **mental health services** provided on or after July 1, 2001, payment is the lower of the submitted charge or 75.6% of the 50th percentile of 1999 charges.

This rate includes mental health services provided by community mental health centers. For partial hospitalization services provided by community mental health centers, the hourly rate is based on outpatient hospital charges for partial hospitalization.

- **Basic living and social skills** provided as part of mental health community support services are paid:
 - for mental health professionals or mental health practitioners, the lower of the submitted charge or ~~\$18.00~~ \$12.51 (effective February 18, 2004) per ~~30~~ 15 minute unit (effective January 1, 2004);
 - for mental health rehabilitation workers, the lower of the submitted charge or ~~\$13.50~~ \$9.38 (effective February 18, 2004) per ~~30~~ 15 minute unit (effective January 1, 2004); or
 - in a group setting, regardless of the provider, the lower of the submitted charge or ~~\$11.00~~ \$5.50 per ~~30~~ 15 minute unit. For the purposes of mental health community support services, "group" is defined as two to 10 recipients.

13.d. Rehabilitative services. (continued)

- **Consultation with significant people** provided as part of mental health community support services are paid:
 - for mental health professionals or mental health practitioners, the lower of the submitted charge or \$9.00 \$12.51 (effective February 18, 2004) per 15 minute unit; ~~or~~
 - for mental health rehabilitation workers, the lower of the submitted charge or \$6.75 \$9.38 (effective February 18, 2004) per 15 minute unit; or
 - in a group setting, the lower of the submitted charge or \$5.50 per 15 minute unit.
- **Medication education** provided as part of mental health community support services are paid:
 - the lower of the submitted charge or \$10.00 per 15 minute unit; or
 - in a group setting, the lower of the submitted charge or \$6.50 per 15 minute unit.
- **Crisis assessment** provided as part of mental health crisis response services are paid:
 - for doctoral prepared mental health professionals, the lower of the submitted charge or \$32.50 per 15 minute unit;
 - for master's prepared mental health professionals, the lower of the submitted charge or \$26.00 per 15 minute unit; or
 - for mental health practitioners supervised by ~~doctoral prepared~~ mental health professionals, the lower of the submitted charge or \$16.25 \$22.58 (effective February 18, 2004) per 15 minute unit; ~~or~~
 - ~~for mental health practitioners supervised by master's prepared mental health professionals, the lower of the submitted charge or \$13.00 per 15 minute unit.~~

13.d. Rehabilitative services. (continued)•. **Crisis intervention** provided as part of mental health crisis response services are paid:

- for doctoral prepared mental health professionals, the lower of the submitted charge or ~~\$47.50~~ \$23.75 per ~~30~~ 15 minute unit;
- for master's prepared mental health professionals, the lower of the submitted charge or ~~\$38.00~~ \$19.00 per ~~30~~ 15 minute unit; or
- for mental health practitioners supervised by ~~doctoral prepared~~ mental health professionals, the lower of the submitted charge or ~~\$23.75~~ \$16.49 (effective February 18, 2004) per ~~30~~ 15 minute unit (effective January 1, 2004) ~~; or~~
- ~~for mental health practitioners supervised by master's prepared mental health professionals, the lower of the submitted charge or \$19.00 per 30 minute unit.~~

•. **Crisis stabilization** provided as part of mental health crisis response services are paid:

- for mental health professionals or mental health practitioners, the lower of the submitted charge or ~~\$19.50~~ \$54.21 (effective February 18, 2004) per ~~30~~ 60 minute unit (effective January 1, 2004);
- for mental health rehabilitation workers, the lower of the submitted charge or ~~\$14.62~~ \$40.64 (effective February 18, 2004) per ~~30~~ 60 minute unit (effective January 1, 2004);
- in a group setting (which does not include short-term services provided in a supervised, licensed residential setting that is not an IMD), regardless of the provider, the lower of the submitted charge or \$11.00 per 30 minute unit. For the purposes of mental health crisis response services, "group" is defined as two to 10 recipients; or
- in a supervised, licensed residential setting that is not an IMD that provides short-term services, combining individual and group modalities and the individual provider's qualifications, and including consultation with significant people, the lower of the submitted

13.d. Rehabilitative services. (continued)

charge or \$262.00 per day.

- When not provided in a supervised, licensed residential setting that is not an IMD that provides short-term services, **consultation with significant people** provided as part of mental health crisis response services are paid:
 - for mental health professionals or mental health practitioners, the lower of the submitted charge or ~~\$9.00~~ \$12.51 (effective February 18, 2004) per 15 minute unit; ~~or~~
 - for mental health rehabilitation workers, the lower of the submitted charge or ~~\$6.75~~ \$9.38 (effective February 18, 2004) per 15 minute unit; or
 - in a group setting, the lower of the submitted charge or \$5.50 per 15 minute unit.
- Effective January 1, 2002, provider travel time is covered if a recipient's individual treatment plan requires the provision of mental health services outside of the provider's normal place of business. This does not include travel time included in other billable services.
- Payment for **outpatient chemical abuse programs services** is pursuant to county-negotiated rates.
- Payment for **EPSDT rehabilitative services identified in IFSPs/IEPs** under the Individuals with Disabilities Education Act (IDEA) and provided by school districts to children with IFSPs/IEPs during the school day is pursuant to a cost-based, per child encounter rate. Each school district has separate per encounter rates for the EPSDT rehabilitative services listed in Attachments 3.1-A/B, item 13.d and for personal care assistant services in Attachments 3.1-A/B, item 4.b. Payment is made when there is an encounter by a Medical Assistance child for the service category. No more than one payment in each service category can be made per child, per day, by a school district.

13.d. Rehabilitative services. (continued)**INTERIM RATE METHODOLOGY EFFECTIVE OCTOBER 1, 2003**

School districts are paid cost-based, interim, per child encounter rates using data collected for the prior two State fiscal years.

Interim Rate Formula: The interim rate formula is the same as the final rate formula effective October 1, 2003. At the start of the State fiscal year on July 1, the rate will be reviewed and updated annually, using the most current available data.

FINAL RATE METHODOLOGY EFFECTIVE OCTOBER 1, 2003

The Department will settle-up with school districts using actual data reported by school districts for the State fiscal year.

Final Rate Formula:

1. salaries and fringe benefits ÷ total employment hours
2. item 1 x direct medical assistance direct service hours
3. item 2 ÷ medical assistance encounters
4. item 3 x the cognizant agency's unrestricted indirect cost percentage for the school district
5. final rate = item 3 + item 4